

# Compensation Analysis, Inc.

(216) 780-3605

(216) 642-8830 Fax

P.O. Box 31014  
Cleveland, OH 44131

April 23, 2019

Ms. Kim Smith  
Procurement Officer  
City of Lakewood  
12650 Detroit Avenue  
Lakewood, Ohio 44107

**Via: Electronic Mail**

RE: Risk Management Consulting Services

Dear Ms. Smith:

Thank you for the opportunity to discuss how Compensation Analysis, Inc. will assist the City in managing ongoing issues related to your insurance program. In conjunction with our discussions I wanted to send you this letter as a formal proposal for services for the City of Lakewood. This proposal is for consulting services from 6/1/2019 through 5/31/2020.

## **Executive Summary**

It may be in the best interest of the City of Lakewood to go out to market this year in order to obtain as many qualified bids as possible.

As part of the marketing of the insurance program, we will perform the following functions:

- Analyze and collect the information necessary to compile detailed bid specifications for the upcoming program.
- After the notice of pre-qualification of bidders, we will evaluate the relative merits of each market request and assign insurance markets to prospective bidders.
- Conduct a pre-bid conference with all qualified bidders.
- Create and disseminate bid documents to all qualified bidders.
- Intake and answer all relevant inquiries from the agents and the City relative to the bid process and the documentation disseminated to the agents.
- Assist the City with the bid opening process to ensure that all prospective bidders meet the minimum qualifications set forth in the bid specifications.
- We will analyze all of the proposals received, providing written recommendations to the City for the most cost-effective risk transfer alternatives.

Our quote for performing the management and potential marketing of your program as well as the formal bid process is \$13,000. This quote is based upon the size of the program and anticipated activity related to the bid process. In addition, this quote includes ongoing risk, claims and program maintenance services as described in this proposal.

*Public Entity Insurance*

*Consulting Services*

*Risk Management*

*Workers' Compensation*

*Unemployment Compensation*

## COMPENSATION ANALYSIS, INC.

### COMPANY OVERVIEW

Compensation Analysis, Inc. was founded in 1988 as a diversified risk, insurance and claims management consulting firm. Since 1988 we have represented public entities as well as public and privately held companies and institutions that range in size from 10 to 1000 employees. Our principals and consultants have represented firms such as; The Castleton Group, ELS Human Resource Management, Park Ohio Industries, Washington Group International, Republic Western Insurance Company and Harborside Health Care. Our clients are concentrated in Northeast Ohio however we service clients with operations all over the continental United States.

### LEAD CONSULTANT

**DANIEL P. O'BRIEN** Mr. O'Brien specializes in Risk and Claims Management. Mr. O'Brien's three major areas of concentration are in Public Insurance Consulting, Employment Law and Ohio Workers' compensation. He began consulting with Public Entities in 1986 and became the insurance consultant to a number of Northeast Ohio Public entities beginning in 1987. He also has over thirty-four years' experience representing employers before the Industrial Commission of Ohio and the Ohio Bureau of Workers' Compensation.

Mr. O'Brien's experience includes being the lead consultant on a two year study of the Greater Cleveland Regional Transit Authority in 1995 and 1996. This study and subsequent program recommendations led to the establishment of a professional risk management function within the GCRTA.

Mr. O'Brien's employment history includes the following:

Principal 1988-present. Compensation Analysis, Inc. The firm specializes in insurance and risk management with the design, implementation and management of Public Entity insurance programs. Services include the review of all Property/Casualty and Health Insurance exposures, the creation of bid specifications, review of appropriate bids and implementation of the program itself. The company also specializes in self-insurance funds and programs.

Partner 2001-present. Fisher & Phillips, LLP. Representing Employers in all aspects of Employment, OSHA Compliance, Insurance Law/Coverage, Workers' Compensation and Unemployment Compensation law in Ohio.

President—1997-2001. M&N Risk Management, Inc. Cleveland, Ohio. Chief Operations Officer for third-party administrator. Duties included, full financial and budget authority,

*Public Entity Insurance*

*Consulting Services*

*Risk Management*

*Workers' Compensation*

*Unemployment Compensation*

personnel, product development, client relations management, marketing & sales management and OBWC liaison.

President—1985-97. Oswald Risk Management Services Company, Cleveland, Ohio. Chief Operations Officer for third-party administrator. Duties included, full financial and budget authority, personnel, product development, client relations management, marketing & sales management and OBWC liaison.

Mr. O'Brien is a featured speaker on Risk Management/Employment Law issues for the following organizations:

- The Institute for International Research
- Northeast Ohio Society of Safety Professionals
- The Cleveland Bar Association
- The Employers Resource Council of Cleveland
- The Cleveland Builder's Exchange
- Printers Association of Ohio
- The Greater Cleveland Automobile Dealers Association
- The Ohio Automobile Dealers Association

### **Risk and Insurance Program Management Services**

Our organization has worked over the past nineteen years to provide quality, effective consulting services to our clients. We have extensive consulting experience in public sector insurance consulting, designing and managing the competitive bidding process, program design and program implementation services. A partial list of our clients include

- Bay Village
- Beachwood
- Cleveland Regional Transit Authority
- Middleburg Heights
- Oxford
- Painesville
- Parma
- Regional Income Tax Agency
- Rocky River
- Shaker Heights
- Trumbull County
- Youngstown

Our approach to public entity benefit insurance and risk management consulting consists of the following methodology:

### **Program and Risk Management Evaluation**

- Undertake risk analysis including:

*Public Entity Insurance*

*Consulting Services*

*Risk Management*

*Workers' Compensation*

*Unemployment Compensation*



- Loss frequency and severity
- Exposure to loss
- Evaluate the current insurance program, including:
  - Protection afforded
  - Adequacy of limits
  - Cost competitiveness
- Assist in determining if optimum deductible and self-insured retentions are being applied.
- Evaluate outside services, including:
  - Quality and effectiveness of service
  - Cost reasonableness of brokers, insurers, claims administrators and other service providers
- Examine risk transfer exposures, procedures and requirements in agreements.

#### **Insurance Renewals and Competitive Bidding**

- Assist in the preparing the program to go out to bid.
- Assist in pre-qualifying agents/agencies that can properly represent the Client to appropriate markets.
- Review feasibility of agency versus direct placement.
- Assist with the selection of one or more qualified agents.
- Analyze and collect the information necessary to compile detailed bid specifications for the upcoming program.
- After the notice of pre-qualification of bidders, we will evaluate the relative merits of each market request and assign insurance markets to prospective bidders.
- Conduct a pre-bid conference with all qualified bidders. Create and disseminate bid documents to all qualified bidders.
- Allocate insurance and reinsurance markets to bidders.
- Intake and answer all relevant inquiries from the agents and the Client relative to the bid process and the documentation disseminated to the agents.
- Assist the Client with the bid opening process to ensure that all prospective bidders meet the minimum qualifications set forth in the bid specifications.
- We will analyze all of the proposals received, providing written recommendations to the Client for the most cost-effective risk transfer alternatives.

- Negotiate with and monitor the bidders' activities during the marketing process.

#### **Post Bid/Selection Process**

- Analyze proposals within time frame allocated by the Client.
- Make appropriate and necessary inquiries with agents/carriers to assure clarity of bids received.
- Analyze financial standing of each carrier quoted.
- Analyze coverage differences between various proposals.
- Present written report of conclusions and recommendations.
- Attend meetings before City Council to review recommendations and findings.

#### **Ongoing Consulting Services**

- Claim Protocols- Assist the Client in the creation of the following:

It is expected that the insurance carrier will provide usual and customary claim administration services that will include, at a minimum, the following:

- Review all claims and loss reports made by Client.
- Thoroughly investigate all claims made against Client through appropriate claim procedures as necessitated by the severity of the injury/property damage and ensures correct payment of valid claims.
- Work in conjunction with Client personnel in preparing the defense of litigated or contested claims.
- Attend settlement conferences as appropriate.
- Notify excess/umbrella insurance carriers of claims and or occurrences at predetermined levels required by excess insurers. Provide information and status of claims as requested by the excess insurance carrier.
- Within 24 hours respond to inquiries from the Client or its designated representatives regarding the status of their claim.
- Provide assistance as necessary to Client staff for proper procedural handling of claims.
- Implement continuous consulting services to minimize the Client's exposures and Cost of Risk.

In addition to our risk and insurance services we are available to assist our clients with consultation on their workers' compensation program. The following services are available as part of our standard consulting services:

*Public Entity Insurance*

*Consulting Services*

*Risk Management*

*Workers' Compensation*

*Unemployment Compensation*

April 23, 2019

- Assist in accident investigation of serious injuries.
- Assist in preparation for VSSR investigations and hearings.
- Review reserves to make sure they are appropriate and recommend settlements
- Educational Seminars and Programs
- Subrogation reviews where appropriate
- Assist in the development of other policies that directly impact workers' compensation claims.
- Assist in the evaluation of self-insurance or other alternative financing mechanisms.

Consistent with our meeting, we would recommend that the City use a market selection process. This will ensure that the City benefits from the advantage that agencies have with their carriers.

Thank you for your consideration.

Very truly yours,



Daniel P. O'Brien  
Principal

DPO/jmm

*Public Entity Insurance*

*Consulting Services*


*Risk Management*

*Workers' Compensation*

*Unemployment Compensation*

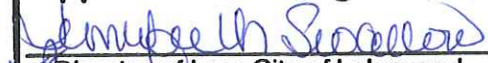
**Proposal Acceptance**

I agree to accept the above proposal for Insurance, Risk Management and Workers' Compensation Consulting on behalf of the City of Lakewood. This proposal is for services from 6/1/2019 through 5/31/2020:

Signature	Title	Date
	MAYOR	5-6-19

The City elects to pay the services fee in 4 installments.

**Approved As To Legal Form:**

  
Director of Law, City of Lakewood

Public Entity Insurance

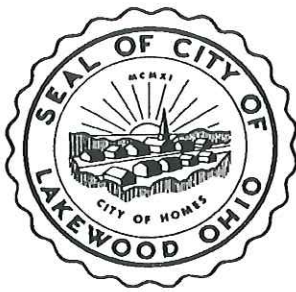
Consulting Services

Risk Management

Workers' Compensation

Unemployment Compensation





12650 DETROIT AVENUE ■ 44107 ■ 216-529-6075 ■ 216-529-6806

Reference No. BC-19-151

May 6, 2019

Board of Control  
City of Lakewood, Ohio 44107

**Subject: Award of Contract – Professional Service Contract – Re: Risk Management Consulting Services**

Dear Members of the Board:

Based on a review conducted by the Division of Purchasing in conjunction with the Department of Finance, I am submitting for your consideration this request to award a contract with **Compensation Analysis, Inc.** in an amount not to exceed \$13,000 to provide consulting services regarding the City's municipal insurance program. Compensation Analysis, Inc. will provide consulting services in conjunction with the city's municipal liability insurance coverage, including compilation and analysis of bid specifications, analyze bids submitted, submission of written recommendation regarding the most cost efficient coverage, and monitor selected vendor performance during the policy tenure. Contract is effective June 1, 2019 through May 31, 2020; to be billed \$3,250 quarterly.

Contracting Authority:	Ordinance 50-18 \$15,000
Contracting Balance:	\$8,500 / (\$4,500)
Funding:	General Admin Fund
Account Distribution:	101-5099-412-30-02 \$150,000
Account Balance:	(\$38,677) / (\$51,677)
Contract Approved by Law:	Yes _____ / No _____ / PO _____ / c/c _____
Object Code:	Professional Service / Mgmt. Consulting
Commodity Code:	953-056
Bid Reference:	Professional Service

  
Kim Smith  
Purchasing Manager

	<u>Approved</u>	<u>Disapproved</u>	<u>Date</u>
Joseph J. Beno PE, Director of Public Works		_____	5-6-19
Kevin M. Butler, Director of Law		_____	5/6/19
Jennifer Pae, Director of Finance		_____	5/6/19
Michael P. Summers, Mayor		_____	5-6-19

